

INCOMING TELEGRAM

Department of State

CSD/MELLEN

ACTION COPY

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36  
Action:

Control: 13993

E

Rec'd: JUNE 20, 1961  
3:00 AM

Info FROM: DJAKARTA

L  
FE

TO: Secretary of State

BFAC

BIGC NO: 3372, JUNE 19, 6 PM

ICA

P

USIA EMBTEL 3185.

NSC

INR DEPT FOREIGN AFFAIRS OFFICIALS INQUIRING STATUS THEIR REQUEST  
CIA P. L. 480 WHEAT FLOUR. STATE THEY HAVE IN TURN RECEIVED  
NSA SEVERAL URGENT REQUESTS FROM OTHER INDONESIAN GOVERNMENT  
AGENCIES. RE STATUS.

AGR

COM

FRB

TRS Y

WHM

RMR

COMMENT:

RELIABLE TRADE SOURCES REPORT SEVERE FLOUR SHORTAGE  
IMMINENT PROBABLY IN ONE MONTH. OTHER REPORTS THAT GOVERNMENT  
CONSIDERING ALLOCATION ADDITIONAL FOREIGN EXCHANGE ON EMERGENCY  
BASIS FOR COMMERCIAL PURCHASES, PROBABLY SMALL AMOUNT NOT  
EXCEEDING 10-15,000 TONS.

ALTHOUGH CURRENT INDO FOREIGN EXCHANGE POSITION NOT  
KNOWN, EMBASSY FEELS REASONABLY CERTAIN THAT POSITION  
TIGHT AND THAT ONLY TOKEN AMOUNTS WILL BE RELEASED  
FOR THIS PURPOSE.

REITERATE RECOMMENDATION ACCEPTANCE INDO COUNTER PROPOSALS  
REFTEL.

SGC



JONES

611-9841/6-1961

CLASSIFIED FILE

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ACTION ASSIGNED TO: CSD	ACTION TAKEN <i>Let's go out to the 12th Salat</i>
NAME OF OFFICER <i>G. L. H.</i>	DATE OF ACTION <i>6/20/61</i>
▲ OFFICE SYMBOL	DIRECTIONS <i>TO RM/R</i>

DECLASSIFIED

Authority *NND 949570*  
By *GP* NARA Date *8/4/00*

[Redacted]

# OUTGOING TELEGRAM Department of State

INDICATE:  COLLECT  
 CHARGE TO State Dept.

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1961 JUN 24 AM 8 59

For DCT use

13769

Classification

SENT TO: Amembassy DJAKARTA 1947

Origin

Info:

Your 3185 3372

Agreeable increase Title I flour from 47,000 M.T. to 62,500 M.T. (70,000 short tons). GOI request decrease usual marketings carefully considered. Consensus Washington agencies no basis go below 105,000 M.T. flour which is equivalent to usual marketing figure for 1956 and 1959 Title I agreements; i.e. 150,000 M.T. wheat equivalent based on 70 percent extraction. Revised instructions will be forwarded on request.

EximBank states that administrative expenses associated Cooley loan cover such items for example as international travel, legal fees, documentary taxes.

Rusk  
JW

RUSK

6/1/984-2-1231

Drafted by:  
GHazard (State)/SWPhillips (FAS)

Telegraphic transmission and  
classification approved by:

6-23-61

OPR:DCT:EKNewton JSW

Agr.: C.R.Donovan CR

Donovan DM

Cleareances:

J.Howard - FAS  
GHazard(CSD) - State  
EThrasher(SPA/E) - State

KBitterman (S/Food) ICA  
DBurgess - ICA JW  
ISC (in substance) SWP JW

Hudson (Ex-Im Bank)  
In substance  
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INCOMING TELEGRAM

Department of State PERMANENT RECORD COPY

*CD. menon*  
ACTION COPY

40  
Action

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Control: 20131  
Rec'd: JUNE 27, 1961  
11:11 PM

E Info FROM: DJAKARTA

L TO: Secretary of State

H NO: 3427, JUNE 27, 5, PM

BFAC BIGC ICA DEPTEL 1947

US IA INR CIA NSA AGR COM FRB TRSY WHM RMR  
SUBSTANCE REFTEL GIVEN FONOFF OFFICIALS. THEIR PRELIMINARY VIEWS ARE THAT 105,000 METRIC TON MORMAL MARKETING. ASSURANCE WHEAT FLOUR UNREALISTIC IN VIEW INDO'S CURRENT FOREIGN EXCHANGE SHORTAGE. PROSPECTS ARE THAT NO COMMITMENTS COULD BE MADE NOW TO PURCHASE ADDITIONAL FLOUR; IF FOREIGN EXCHANGE POSITION IMPROVES IN SECOND HALF THIS CALENDAR YEAR, MAY PURCHASE SOME MORE FLOUR BUT IN NO EVENT COULD ANTICIPATE REACHING 105,000 TONS. SAID THAT RICE WOULD HAVE PRIORITY OVER FLOUR IN COMMERCIAL PURCHASES UTILIZING ANY AVAILABLE FOREIGN EXCHANGE.

OFFICIALS INQUIRED IF ASSURANCE REQUIREMENT REPRESENTED US UNILATERAL DETERMINATION OR HAD US RECEIVED COMPLAINTS FROM OTHER COUNTRIES AND SPECIFICALLY AUSTRALIA. REITERATED THAT AUSTRALIA HAS INFORMED GOI THAT 1961 ASSURANCE HAS ALREADY BEEN MET.

RE USE 1956 AND 1959 AGREEMENTS AS BASIS DETERMINATION ASSURANCE, OFFICIALS RECALLED THAT 1959 ASSURANCE HAD BEEN FULLFILLED ONLY WITH GREATEST DIFFICULTIES AND OBSERVED THAT HISTORICAL PATTERN NOT APPLICABLE AT PRESENT AS FOREIGN EXCHANGE POSITION DETERRENT TO FURTHER IMPORTS.

FONOFF OFFICIALS CONSULTING WITH OTHER GOI AGENCIES AND WILL CONTACT EMB UPON RECEIPT THEIR COMMENTS. THEY ANTICIPATE THAT CONSENSUS WILL BE THAT US INSISTENCE UPON 105,000 TONS ASSURANCE WILL PRECLUDE REACHING AGREEMENT, EVEN IN FACE EXTREME SHORTAGE FLOUR AND UNAVAILABILITY TITLE I RICE.

COMMENT: TRADE

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ACTION	ACTION
ASSIGNED TO: E. ORMAN	TAKEN None necessary
NAME OF OFFICER & OFFICE SYMBOL: M. J. Haas	DATE OF ACTION: 9/19/61
	DIRECTIONS: TO RM/R File

611-9841/6-2761

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By *GP* NARA Date *8/4/00*

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-2- 3427, JUNE 27, 5 PM FROM DJAKARTA

COMMENT: TRADE SOURCES ALSO FEEL 105,000 TONS FOR ASSURANCE UNREALISTIC. HIGHEST ESTIMATE EMB HAS RECEIVED AS TO LIKELY ADDITIONAL COMMERCIAL IMPORTS IN 1961 IS 20,000 TONS.

JONES

HC

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# OUTGOING TELEGRAM Department of State

INDICATE:  COLLECT  
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1961 JUN 30 PM 8:43

18348

Origin

Info:

SENT TO: Amembassy DJAKARTA

1976

Your 3427 6/11/98 UU  
6-27

Requests from other PL-480 countries in financial circumstances similar GOI to reduce usals have been denied. If we were to agree reduce usals for GOI it would cause extreme difficulties for US and other PL 480 countries. In circumstances we consider 105,000 tons as proper figure and it is not possible agree to reduction during the middle of calendar year 1961. Therefore US must insist on additional commercial purchases of 30,000 as condition of Title I agreement.

Rusk

RUSK

PL-480/1961/119

RM/R	60
Anal	
Rev	
Cat	

Dated by:

FAS:PO<sup>1</sup> Leary:mh:6/30/61

Telegraphic transmission and classification approved by:

CSD - Howard M. Gabbert

Clearances:

SPA - Mr. Thrasher  
CSD - Mr. Hazard

S/S-CR

JUN 30 1961 PM

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FORM DS-322  
2-59

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